

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6775

BILL NUMBER: SB 377

NOTE PREPARED: Jan 2, 2003

BILL AMENDED:

SUBJECT: Alcoholic Beverage Sales in Grocery Stores.

FIRST AUTHOR: Sen. Server

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill defines "grocery store" and "major grocery store" for purposes of the alcoholic beverages law.

The bill provides that the Alcohol and Tobacco Commission may issue a liquor dealer's permit for a major grocery store located inside or outside the corporate limits of a city or town.

The bill specifies that a statutory disqualification concerning the issuance of beer retailer permits does not apply to a major grocery store. It also specifies that a drug store or a major grocery store may sell any item through a window that is not an alcoholic beverage.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill will impact the Alcoholic and Tobacco Commission (ATC) insofar as it will require the Commission to evaluate a number of alcoholic beverage permittees to determine if they fall under either grocery store definition. Any additional administrative burden on the ATC is expected to be covered using existing staff and resources.

Background Information: While Indiana Code currently does not define "grocery store" for alcoholic beverage purposes, it does contain provisions that make grocery stores specifically eligible to obtain a beer or wine dealer's permit. Based on information from the ATC, it is estimated that approximately 1,300 retailers in Indiana sell beer and wine under the authority of an ATC-issued grocery store permit. It is not known how many of these retailers would not be covered by the proposed definitions.

Explanation of State Revenues: Allowing major grocery stores to obtain a liquor dealer's permit could increase state revenue from the \$250 fee for a liquor dealer's permit. The number of retailers that would become qualified to receive a liquor dealer's permit is unknown. A third of the revenue collected in the Excise Fund is deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: Two-thirds of the revenue distributed to the Excise Fund is distributed to cities, towns, and counties based on population. If more stores obtain liquor dealer's permits, Excise Fund distributions to local entities could increase.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: Don Okey, Excise Industry Liaison, Alcohol and Tobacco Commission, 232-2463.

Fiscal Analyst: John Parkey, 317-232-9854